GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

A & C Department – Horticulture – Debt redemption Scheme to Horticulture farmers – Implementation guidelines – Orders – Issued.

G.O.RT.No. 308 Dated: 03-05-2016

Read :-

1. From the Commissioner of Horticulture, A.P., Hyd, Lr.No.P&M(2)/02/2015, dt.24.3.2016

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O R D E R :

In the reference read above, the Commissioner of Horticulture has stated that the Horticulture Department in consultation with the Vice Chairman, Andhra Pradesh State Planning Board, Advisor to Government (e-Governance, Electronics & IT),Convener, SLBC, Andhra Bank and NIC officials prepared guidelines for implementing the Debt Redemption Scheme for Horticulture farmers. Accordingly, the farmers data in (13) districts have been uploaded by all the Banks in 36 column proforma designed by Rythu Sadhikartha Samstha in consultation with SLBC. The data was processed by the NIC as per the guidelines given by Rythu Sadhikara Samstha (RSS) and I.T.Department and list of eligible Horticulture farmers and amount to be waived under Debt Redemption scheme have been finalised.

2. So far, banks from (13) districts have uploaded 2,20,956 no. of farmer accounts and the NIC is processing the data to finalize the eligible Horticulture farmers and also amount required to implement the Debt Redemption Scheme as desired by the Government. Approximately, **Rs.38101.86 lakhs** is required for Debt Redemption of the Horticulture crop loans pertaining to **2,20,956 no.of farmers**.

3. Government after careful examination hereby approve the guidelines for implementing the Debt Redemption Scheme for Horticulture farmers. The guidelines were annexed to this order.

4. The Commissioner of Horticulture, A.P., Hyderabad will coordinate with Rythu Sadhikartha Samstha (nodal agency) for taking further necessary action for implementation of Debt redemption.

5. This order issues with the concurrence of Finance Deptt. Vide dt.08.04.2016.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

CHIRANJIV CHOUDHARY
EX.OFFICIO SECRETARY TO GOVERNMENT (H&S)

To
The Commissiner of Hortticulture, A.P., Hyderabad.
The Vice Chairman, Andhra Pradesh State Planning Board,
Advisor to Government (e-Governance, Electronics & IT).
The Convener, SLBC, Andhra Bank.
The C.E.O., Rythu Sadhikara Samshta, A.P., Hyderabad.
Copy to :
The P.S. to Addl.Secy. to C.M.
The P.S. to M (Fin._.
The P.S. to M (Agrl.)
The P.S. to Prl.Secy.Finance.
The Financed Deptt.
SF/SC.

// FORWARDED BY ORDER //

SECTION OFFICER

ANNEXURE-1 G.O.Rt.No.308, A&C (H&S) Department, dt.03.05.2016

GUIDELINES FOR IMPLEMENTING THE DEBT REDEMPTION SCHEME OF HORTICULTURE LOANS TO FARMERS

Scope and Coverage:

1) The scheme applies to Horticulture crop loans (including gold loans sanctioned for raising Horticulture crops) extended by Scheduled Commercial Banks, Regional Rural Banks (RRBs) and Cooperative banks (not UCBs) through their branches/ Societies in the State of Andhra Pradesh (13 districts) including 7 Mandals of erstwhile Khammam added to two districts of the State. Loans granted to primary Agriculture Cooperative Credit Societies/FSCs which are accredited to lending institutions for advancing direct Horticulture crop loans to agriculture family are also covered under the scheme.

Cut-off date for Debt Redemption:

2) The Horticulture Crop loans and Gold loans disbursed for Horticulture crop purposes, including the loans converted to MTL due to calamities, upto 31.12.2013 and outstanding (including interest) as on 31.12.2013 are eligible for coverage under the scheme.

3) Loans which were outstanding as on 31.12.2013 would be eligible for debt redemption even if they were subsequently repaid to the bank/cooperative.

Loans included:

4) Short term crop production loans availed for Horticulture crops as per list enclosed **(Annexure-II)**.

Category of Borrowers Eligible:

5) The following categories of borrowers are eligible for debt redemption scheme subject to certain condition prescribed in para 3.

i. Family who have directly availed of Horticulture crop production loans against hypothecation of standing crops/mortgage of land/ gold ornaments for the purpose of crops.
ii. Rythumitra and Joint Liability Groups having availed Horticulture crop loans, are eligible on pro-rata basis as per the amount drawn by each member, the aggregate amount subject to debt redemption ceiling.
iii. Credit extended to holders of Kisan Credit Card.
iv. Family whose short term Horticulture crop loan was converted into medium term loan due to occurrence of natural calamities.
v. Horticulture Gold loan for crop production purpose subject to the loan being supported by PPB/ROR, observance of seasonality and scales of finance by the bank.
vi. In the event of both the pattadar holder as also the LEC holder/oral lessee availing short term Horticulture crop loans on the same survey number, the benefit should be extended to the LEC holder / tenant cultivator only.
vii. Loans to farmers by companies or other institutions like registered societies (other than FSCs/PACCs) trusts, partnerships, MFIs/UCBs are not covered under the scheme.

Eligibility Criteria:

i) Horticulture crop loans will be redeemed @ Rs. 10,000/- per acre up to maximum of Rs. 50,000/- covering 5 acres per family, with in the overall ceiling of Rs. 1.50 lakhs which is applicable in the agricultural crop loans, subject to the

limit of outstanding loan balance as on 31.12.2013

ii) If a family is covered in different phases of Debt Redemption but has not availed Rs.1.50 lakhs fully, the balance amount will be covered in the proposed Debt Redemption of Horticulture Crops.

iii) The total amount eligible for debt redemption shall be limited to Horticulture crop loan and Horticulture gold loan for crop purposes and short term credit converted into Medium Term crop production loan subject to the ceiling prescribed for family.

iv) The total amount that can be redeemed will be the aggregate of actual amount outstanding in the respective loan accounts of family subject to a ceiling of Rs.1.50 lakh, for crop loan or gold loan or converted crop loan jointly for family.

The benefit should be limited to Rs.1.50 lakhs per family.

Family:

6) Family includes Head of the family, spouse and children. To identify the family members the criteria shall be documents like Ration Card, Voter list within the (13) districts of Andhra Pradesh.

List of Horticulture Crops Eligible for Debt Redemption:

See Annexure – II

Data Collection:

7) In order to ensure that the benefits of the Scheme reach all eligible families, data has been collected from the banks. For this purpose, a Committee under the guidance of the Advisor (IT), Govt. of Andhra Pradesh, has developed a template to be submitted by each branch of all scheduled banks including RRBs, Cooperative Banks (excluding urban cooperatives) and PACs/FSS ceded to the Commercial Banks and Cooperatives.

8) A major part of the data for the template is extracted by banks from their Core Banking Solutions platform. Other columns of the template are filled-up by way of data entry by the bank-branch concerned.

9) If any of the information required in the 36 column format is not available either in the CBS or in loan file maintained by the bank, the branch manager may call the loanee with the relevant record (say, Aadhaar Number/ Ration Card/ Pattadar Pass Book/ Khata / LEC) and enter the details in the presence of the loanee.

10) A front-end application has been developed by NIC (National Informatics Centre) which shows account-wise Core Banking Solutions details and additionally capture other parameters like Aadhar number, Ration Card Number etc. Branch level access to this application to update data is provided.

Benefit for agriculture family as concept:

11) Benefit of Debt redemption applies to agriculture family as a unit and not individual account separately.

12) In case one or more members of a family whether married or unmarried had availed loans against the same survey number, it will be treated as a single unit for the purpose of family benefit.

13) Horticulture crop loan, gold loan for horticulture crop purposes, converted Horticulture crop loan are eligible subject to ceiling as specified in Para i. of Eligibility Criteria.

14) While considering redemption the priority is as follows:

a) First – Horticulture crop loan

b) Second - converted horticulture crop loan

c) Third - Gold loan for horticulture crop purposes only and not for allied activities.

15) The benefit of debt redemption will be extended as per above ranking subject to ceiling.

Computation of Eligible amount:

16) The amount eligible for debt redemption shall be computed in the following manner.

a) The total amount of loan borrowed by the family shall be the determining factor.
b) After arriving at the amount in the manner prescribed, determine what loans are eligible to be covered under the scheme. After determining the amount, the loan account against which the debt redemption would be effected shall be determined.
c) If a family is covered in different phases of Agriculture Debt Redemption scheme 2014 but not availed Rs.1.50 lakhs fully, the balance amount will be covered in the proposed Debt Redemption of Horticulture Crops.
d) For example, if a family has grown both agriculture &horticulture crops and taken crop loan and family has got benefit of say Rs. 1.20 lakhs, the balance amount of Rs. 30,000/- will be paid for horticulture debt redemption provided the family has availed loan at least for 3 acres of Horticulture crops. Where it exceeds the limit the debt redemption would be limited to the prescribed amount.
e) The amount so arrived at will be shown against the borrower as the amount to be redeemed by the State Government. This amount would also be entered in the Pattadar Pass book and authenticated by the bank concerned, with the bank seal.
f) Similarly, amount of benefit extended in respect of short term crop production loan availed against the gold ornaments should also be entered in the Pattadar Pass Book.

Manner of Settlement:

17) The Branch Manager will maintain an individual account of persons for family manually, where in the amount eligible for debt redemption will be shown. As and when the amount is released by the Government, adjustments would be made in this account.

Procedure for Debt Redemption:

i. Where a family has taken loan from more than one bank/ institution, the bank/ institution which has retained the original pattadar pass book while giving loan will get the priority. If the lending was against different survey numbers for different banks, the benefit would be distributed on pro-rata basis. The benefit thus shared shall be entered in the respective Pattadar pass book/s of the family and the concerned Branch Manager shall put his signature and seal on the pass book.

ii. If it is more than the ceiling i.e Rs.50,000/- the debt redemption amount will be limited to the ceiling prescribed by the Government. The branch manager concerned will affix their seal and signature after recording the amount in the Pattadar pass book/LEC card.

iii. In respect of beneficiaries who had already repaid the loan, the eligible amount would be credited to the saving bank account of the beneficiary and he would be permitted to draw the amount.

iv. As regards those who had not repaid the loan, the debt redemption amount would be credited to the loan account of family and the outstanding balance

would be reduced to that extent, as per the method mention in para 16 (a), (b), (c) and (d).

v. If the amount of loan outstanding for any beneficiary is higher than the amount of debt redemption extended by the Government under the Scheme, the balance will be paid by the beneficiary concerned.

vi. Crop Insurance claims of family, if any, as and when received from the AIC need not be reduced from the outstanding balance in the respective accounts as on 31st December, 2013, while computing the benefit amount.

18) Wherever the farmer refuses to give an acknowledgement for whatever reasons, the extent of eligibility the amount will be credited to his account and intimation sent to him. The concerned banker will certify crediting of this amount to the individual farmer's account. The issues mentioned in the letter No.04 A/Fin.IF/2014, Finance (B&IF) Dept, dated:10-01-2015 shall be applicable.

Obligations of the lending institutions:

a) Banks have to collect information as per the format furnished by Government, viz; Aadhaar Number, Pattadar Pass Book number etc; and enter the details in their system and ensure that the benefit goes to family as unit within overall ceiling.

b) Every lending institution shall be responsible for the correctness and integrity of the list of family eligible under this scheme and the particulars of the debt redemption in respect of each family member of farmer. Every document maintained, every list prepared and every certificate issued by a lending institution for the purposes of this scheme shall bear the signature of the authorized officer of the lending institution, his/her name together with the Employee Code Number with the seal of the organization.

c) The Grievance Redressal Committee constituted vide G.O.Ms.No.184, Finance (IF) Dept, dated: 03-09-2014 shall be applicable for debt redemption for Horticulture Crop loans. The Committees constituted vide G.O.Ms.No.220, Finance (B&IF) Dept, dt:11-12-2014 shall also be applicable.

d) Any farmer who is aggrieved on the ground that his name has not been included in the list of eligible members referred to above or on the ground that the debt redemption granted to him has been calculated wrongly, may make a representation through the branch from which he received the loan or directly to the Grievance Redressal Committee and every such representation shall be disposed of within 30 days of receipt thereof.

Implementation:

19) Since the claims of the lending institutions will be processed by the State Government on the basis of the audited books of account (as on 31.12.2013), it should be important that due care is taken while preparing the list of beneficiaries.

Claim reimbursement modalities:

20) State Government directly or through Rythu Sadhikara Samstha will settle the claim received from respective banks and pass on the benefit online, to the accounts of the beneficiary(s).

Data Maintenance:

21) Banks are required to maintain additional data as under:

i. Detailed borrower wise data along with additional information may be maintained by banks at the branch level as per the formats given. This data is required to be kept ready for inspection / audit and reference, as and when required. The branch wise data in summary form may also be maintained at the Regional Office/ Zonal Office/ Controlling Office.

ii. ii. The above information may be maintained for Small & Marginal Farmers and others, separately.

iii. iii. Data should also be maintained in respect of SC/ST/ Minorities/ Women beneficiaries, separately.

iv. iv. Banks are also required to maintain District-wise data Village-wise relating to the amounts redeemed in the respective Controlling Offices / and forward a copy of the same to the SLBC Convener of the State.

v. The data of the loan debt redemption and reporting returns shall also be maintained in soft form.

Audit:

22) The books of account of every lending institution that has been granted debt redemption under this scheme (including the books of accounts maintained at the branches) shall be subject to an audit.

Fresh Finance:

23) The farmers whose crop loans are redeemed under the scheme will be eligible for fresh finance from the lending institutions.

Nodal Agency:

24) Rythu Sadhikara Samstha shall be the nodal agency for implementation of the scheme.

Interpretation and power to resolve differences:

a) If any doubt arises on the interpretation of any paragraph of this scheme or any instructions issued there under, the State Government shall resolve the doubt and the decision of the State Government shall be final.

b) If any difficulty arises in giving effect to the provisions of the scheme or any instructions issued there under, the State Government will take up measures which appears to it to be necessary or expedient for the purposes of removing the difficulty.

Publicity:

a) A copy of this scheme in English and Telugu Language shall be displayed in each branch of every lending institution covered under this scheme.
b) A copy of this scheme will be available on the websites of the State Government and SLBC.

CHIRANJIV CHOUDHARY
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Annexure –II to G.O.Rt.No.308, A & C (H&S) Deptt., dt. 03-05-2015.

LIST OF HORTICULTURE CROPS ELIGIBLE FOR DEBT REDEMPTION

Sl.No	Crop Category	Name of the Crop
1	Plantation Crops	Coconut
		Cashewnut
		Oilpalm
		Betel Leaf / Betelvine
		Tamarind
2	Fruits Crops	Mango
		Banana
		Citrus / Sweet Orange / Acid Lime
		Guava
		Papaya
		Pomegranate
		Grapes
		Sapota
		Ber
		Pineapple
		Fig
3	Spices & Condiments	Turmeric
4	Vegetables	Tomato
		Potato
		Sweet Potato
		Brinjal
		Bhendi
		Beans
		Carrot
		Capsicum
		Peas
		Cabbage / Cauliflower
		Tapioca/Yam/Beetroot
		Onion/Garlic
		Gourds/Gherkins
		Curry Leaf
		Drumstick
		Watermelon

Sl.No	Crop Category	Name of the Crop
		Coriander
		Ginger
		Muskmelon
5	Floriculture	Rose
		Chrysanthemum
		Lilly
		Jasmine
		Crosandra
		Marigold
		China Aster
		Gladiolus

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